VZCZCXRO2205 OO RUEHBC RUEHDE RUEHIHL RUEHKUK DE RUEHAK #0100/01 0220730 ZNY SSSSS ZZH O 220730Z JAN 09 FM AMEMBASSY ANKARA TO RUEHC/SECSTATE WASHDC IMMEDIATE 8534 INFO RUCNRAQ/IRAQ COLLECTIVE PRIORITY RHEFDIA/DIA WASHDC PRIORITY RUEHAK/USDAO ANKARA TU PRIORITY RUEAIIA/CIA WASHDC PRIORITY RUEKJCS/SECDEF WASHDC//USDP:PDUSDP/ISA:EUR/ISA:NESA// PRIORITY RHEHAAA/NSC WASHDC PRIORITY RUEUITH/ODC ANKARA TU PRIORITY RUEKJCS/JOINT STAFF WASHDC//J-3/J-5// PRIORITY RUZEJAA/JAC MOLESWORTH RAF MOLESWORTH UK PRIORITY RHMFISS/HQ USEUCOM VAIHINGEN GE PRIORITY RHMFISS/HQ USCENTCOM MACDILL AFB FL PRIORITY RHMFISS/425ABG IZMIR TU//CC// PRIORITY RHMFISS/39ABG INCIRLIK AB TU PRIORITY RUEPGAB/MNF-I C2X BAGHDAD IZ PRIORITY

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DEPT. FOR EUR/SE AND NEA/I

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TAGS: <u>PREL PGOV ENRG TU IZ</u>

SUBJECT: TURKEY LOOKS TO BROADEN/DEEPEN TIES WITH IRAQ AND KRG

Classified By: POL Counselor Daniel O'Grady for reasons 1.4 (b,d)

 $\P1.$ (S) SUMMARY: Turkey continues its outreach to Baghdad and to Erbil in an effort to broaden and deepen its ties to Iraq and the KRG. GOT Special Envoy for Iraq Ozcelik recognizes the pace of progress remains slow but is encouraged that progress continues and that the tenor of discussions between Ankara and the Iraqis, both in Baghdad and in Erbil, has changed appreciably over the past year. He is hoping to reschedule President Gul's visit to Iraq for mid-February. The GOT believes Massoud Barzani's idea to host a conference of Kurdish political organizations as a way to isolate and galvanize opposition to the PKK could backfire and put Barzani back in the crosshairs of ultranationalists in Turkey who remain convinced Barzani is a PKK supporter. For that reason, Ozcelik told us the GOT now believes it would be a mistake for Barzani to pursue this approach, which he first proposed in October. The GOT remains committed to the Turkey-Iraq-US trilateral mechanism to counter the PKK but sees it more as cover for what it believes will be more effective bilateral cooperation between Ankara and Erbil. Key to that effort will be the opening of an Erbil office for the trilateral mechanism where intelligence sharing and coordination can take place. GOT thinking on energy cooperation has begun to evolve as Turks worry their firms will be left in the cold if they don't at least begin preliminary talks with the KRG on involvement in developing oil and gas fields in KRG territory. Ozcelik believes beginning talks directly with the KRG could protect Turkish equities while giving Turkey more leverage to push for a hydrocarbons law. Ozcelik urges US support for a northern gas export route from Iraq to Turkey and on to Europe. END SUMMARY

Trilat is Nice But Bilat is Better

12. (S) GOT Special Envoy for Iraq Murat Ozcelik told us January 20 Turkey remains committed to participating in the Turkey-Iraq-US trilateral mechanism to counter the PKK. However, he noted that the Kurdistan Regional Government (KRG) remains the key entity in controlling PKK operations in northern Iraq and, as such, Ankara will look to continue its nascent efforts to foster closer relations with Massoud Barzani and the KRG. The trilat helps to ensure PM Maliki

and the GOI bureaucracy remain engaged in the issue and assured that Turkey values that relationship. With KRG participation, it also provides cover for what inevitably will become deeper bilateral cooperation on the PKK issue. The trilateral mechanism calls for the opening of an office in Erbil where coordination can occur which, according to Ozcelik, will be a key hub in the effort to shut down PKK operations in northern Iraq through sharing of HUMINT and cooperation on cutting PKK logistics.

- 13. (C) Ozcelik said the opening of an Erbil coordination center will make it easier to pursue other GOT-KRG connections he has sought to establish, such as direct discussions between officials from the Turkish General Staff (TGS) and Peshmerga, or to broaden and continue, such as links between Turkey's National Intelligence Office and KRG Interior Minister Sinjari. Those contacts will help further to improve coordination on the counter-PKK effort. Ozcelik mentioned MFA is also working to reschedule the visit of President Gul to Iraq, originally scheduled to take place in December but postponed due to Gul's internal ear problems which prevented his travel. Ozcelik is hoping Gul can go to Iraq around February 15. GOT officials are still debating whether this initial visit will involve multiple stops, including Erbil, or whether he will go only to Baghdad and save other cities for a future potential visit.
- 14. (S) During recent discussions with Massoud Barzani, Ozcelik said he discussed Barzani's idea to host a conference of Kurdish political entities, which Barzani would use to

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begin an effort to discredit the PKK in the eyes of the Kurdish public. The conference would call for all armed groups in northern Iraq to lay down their arms because of the threat their presence poses to ordinary citizens and set the stage for an eventual crack-down by KRG authorities against the PKK should it refuse. Barzani admitted to Ozcelik, however, that his idea had been "hijacked" by officials of the pro-Kurdish Democratic Society Party (DTP), many of whom are known to be closely linked to the PKK. Ozcelik expressed his fear that such a conference would end up putting more pressure on Barzani to endorse long-standing demands for Kurdish rights in Turkey than it would place on the PKK to lay down its arms. This could only result in Barzani once again becoming a convenient target for Turkey's ultranationalists who are still convinced Barzani remains a firm supporter of the PKK, making it more difficult for the GOT to continue its efforts to improve its relations with Barzani and the KRG. As such, Ozcelik said he plans to appeal to Barzani to forget the conference and continue with public relations efforts to discredit the PKK, which he believes have already quietly begun. Eventually, he hopes that will give Barzani's administration additional breathing space to begin taking more robust action against the PKK's logistical support base, an effort that heretofore has been comprised of "half-measures."

15. (S) Ozcelik said he is currently working on a comprehensive approach to the PKK issue and fostering closer ties with the KRG on the issue. He promised to share with us the GOT's thinking once he has an opportunity to consult with other GOT ministries on the paper and can come to a conclusion on where common denominators on the issue among the various players in Ankara lie. He pointed to some successes on the domestic front in addressing long-standing Kurdish concerns, including the recent start of Kurdish-language broadcasting on a dedicated state-run television station and plans to establish Kurdish language faculties at universities in Ankara and Istanbul. envisages his comprehensive approach will include a renewed effort to entice PKK rank-and-file from the mountains, though warned no government in Ankara can initiate an "amnesty" for the PKK and expect to remain in power. That particular issue will require a nuanced approach, but can be helped in part by ensuring that all PKKers taken into custody or received

having surrendered are treated in a similar fashion. That is not currently the case, where treatment can depend on whether he/she surrenders to the military, the jandarma, or the police. We pressed Ozcelik to take a fresh look at closure of Makhmour Refugee Camp in northern Iraq. Closure of the camp and reintegration of the majority of the 10,000 plus residents to Turkey would send a strong signal to PKK rank-and-file that the situation for ethnic Kurds in Turkey has changed since they fled in the early and mid-1990s.

Talking Energy Cooperation With the KRG

- 16. (C) Ozcelik reiterated views he has previously expressed that Turkey must do more to present a comprehensive vision to Barzani and the Iraqi Kurds that Ankara looks beyond the PKK issue in seeking to improve its relations with the KRG. He confirmed that Turkey's position is evolving with regard to cooperation with the KRG on oil and gas issues. Ozcelik emphasized the GOT is seeking to protect its national interests and those of its companies in the same way it believes other countries are doing. At the same time, the GOT will continue to advocate for passage of Iraq,s Hydrocarbons Law and believes this is essential legislation for development of the sector.
- 17. (C) Taking out a map of northern Iraq and pointing to the many fields that have been awarded to international firms (including US firm Hunt Oil) for development, Ozcelik said Turkey (both public and private companies) should be part of the negotiations for field development. That does not mean

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that the GOT will be looking for Turkish firms to sign a contract tomorrow. Given the nature of negotiations on such issues, talks could take years ("Look at how long we've been talking to the Iranians on energy cooperation," he noted) but the important thing is to begin now. Ideally, the Hydrocarbons Law will be passed before negotiations between Turkish firms and the KRG conclude. He is not concerned about Turkish companies being blacklisted for seeking deals with the KRG following passage of national legislation. To the contrary, he fears the GOI in the end will not annul KRG contracts and Turkey will have paid the price for not having stepped in early to take advantage of its strategic location and long-term contacts with Kurds. Ozcelik reiterated a long-standing plea to bring Turkish and US firms together to forge partnerships to pursue deals in Iraq and pressed for future meetings of the US-Turkey Energy Working Group to focus on more concrete ways to make this happen.

18. (C) Ozcelik said a northern gas export pipeline from Iraq to Turkey and on to Europe makes the most sense and urged US support for this route. However, Turkey wants to be more than just a transit country. It wants to be involved in the development of upstream gas to put in the pipeline. Ozcelik went on to argue that linking Iraq to Europe would be in the US, European, and Turkish national interests. Iraqi gas exports, if available in the near-to-medium term, could be critical to the economic viability of Nabucco and opening up a non-Gazprom route to Europe. Additionally, supplying volumes to one of Europe's priority projects could also create a stronger bond between Europe and Iraq which could lead to greater European involvement in Iraq.

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Jeffrey